

**Opening Statement of the Honorable Fred Upton**  
**Subcommittee on Energy and Power**  
**Hearing on “American Energy Security and Innovation: Grid Reliability Challenges**  
**in a Shifting Energy Resource Landscape”**  
**May 9, 2013**

*(As Prepared for Delivery)*

Today we examine two key emerging issues facing the reliability of the nation's electric grid – gas and electric convergence challenges and the integration of intermittent renewable energy resources.

As we have witnessed over just the last few years, the nation's electric generation portfolio is undergoing a dramatic shift, in part spurred by abundant and low cost natural gas, but also driven by environmental regulations from the EPA that are forcing thousands of megawatts of coal-fired baseload power to retire. This committee is dedicated to ensuring the continued availability of affordable and reliable power to American homes and businesses, all the while protecting jobs in this rapidly changing energy landscape.

The shale gas revolution we are witnessing clearly presents enormous economic benefits for the country that will be an important driver of our economic growth moving forward. It will set a path toward a better future for all of us, providing benefits across numerous sectors from manufacturing, residential, to commercial uses.

Generating more electric power from natural gas has many benefits as well, especially given that domestic supplies are increasing and current prices are relatively low. But we are learning that there are also some very real challenges to integrating more natural gas into the power sector.

Today's hearing also will focus on the increased integration of intermittent renewable resources, such as wind and solar, into the electric grid. As I have made clear on numerous occasions, I support an open, all-of-the-above energy strategy, which includes renewable energy resources. However, we must be mindful of the cost of these resources and the taxpayer dollars that continue to subsidize them.

We must also be mindful of the fact that incorporating an increasing amount of renewables into the electric system presents operational challenges that may impair grid reliability. These resources are intermittent by their nature – the wind doesn't always blow and the sun doesn't always shine. Clearly there is a role these resources can play but to suggest these sources alone can meet the power demands of the manufacturing, technology, and consumer sectors of the U.S. economy is a stretch of the imagination. Absent the continued use of our reliable and consistent baseload power work horses like coal, nuclear, and natural gas, the U.S. will not be able compete globally.

America's newfound abundance of natural gas is a blessing, as are technological advancements that make renewables more cost competitive and reliable. Both of these resources should – and will – play an important role in contributing to our energy needs. But we need to take steps to properly and cost-effectively integrate these resources into the electricity portfolio. I look forward to today's testimony, and learning about the best ideas for moving forward.

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